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C O N F I D E N T I A L SECTION 01 OF 02 LJUBLJANA 000215

SIPDIS

FOR THE SECRETARY FROM THE CHARGE, D, AFFAIRES

E.O. 12958: DECL: 07/21/2019 TAGS: <u>PREL PGOV NATO AF HR SI</u>

SUBJECT: YOUR MEETING WITH SLOVENIAN FOREIGN MINISTER

SAMUEL ZBOGAR

REF: LJUBLJANA 209

Classified By: CDA Brad Freden, reasons 1.4(b,d)

11. (C) Your July 29 meeting with Foreign Minister Zbogar is an opportunity to advance our bilateral and regional agendas on at least three fronts: European integration of the Western Balkans, including Croatia, Serbia, Bosnia-Herzegovina, and Kosovo; a qualitative and quantitative increase in Slovenia's contribution to stability in Afghanistan; and revival of our moribund trade and investment relationship. In addition, Slovenia appears to be leaning toward accepting one or two Guantanamo detainees. S/E Fried's meeting with Zbogar on July 28 will give us a better picture of where Slovenia stands and how you should tailor your message on this important issue. From the Slovene side, you can expect an emphasis on the western Balkans in general, and their current chairmanship of the Council of Europe, including Minister Zbogar's recent work on human rights in Belarus. He would like to hear U.S. views on the way ahead with Belarus. You may also be asked about the possibility of a future meeting between President Obama and Prime Minister Pahor; perhaps not surprisingly, I would strongly support such a meeting once Slovenia lifts its hold on Croatia's EU accession talks.

Slovenia-Croatia: A Window of Opportunity?

- 12. (C) On the Western Balkans, our immediate priority is an end to Slovenia's blockade of Croatia's EU accession talks. The dispute over land and maritime boundaries flared up in fall 2008 when Croatia submitted maps and documents in its EU accession documents that Slovenia deemed prejudicial to the border determination. Slovenia has since blocked the opening and closing of 13 chapters in the accession negotiations. Officials here see the Rehn process (a series of proposals and negotiations initiated and guided by Olli Rehn, EU Enlargement Commissioner) as offering the best hope for separating the border issue from Croatia's accession process.
- 13. (C) Slovenia is likely to become increasingly isolated within the EU if it does not lift its hold, yet the domestic politics of this issue will not allow it to capitulate absent an agreement with Croatia on the way forward. Substantively, the two sides appear close to agreement on the most recent Rehn proposal, but Rehn himself has now stepped back from the process, saying he has done all he can and the two sides must engage bilaterally. I believe we have reached a critical point in the process: with a little hand-holding on the part of the U.S. in Ljubljana and Zagreb, a breakthrough is within reach. Prime Minister Pahor has told me privately that he would accept Rehn's June proposal and has asked for our assistance in getting Zagreb to do the same. You should ask Zbogar to confirm that the government has taken a formal

decision to accept the Rehn proposal and, if he equivocates, suggest that this may be the last, best offer the two sides can expect. While the two prime ministers plan to meet July 31 in Croatia, I have no reason to expect a breakthrough at this or any future meeting absent continuing third-party engagement with both sides.

Afghanistan: Preparing an OMLT

¶4. (C) Zbogar and his counterpart at the Ministry of Defense are looking to become more engaged in Afghanistan. Slovenia currently has 81 soldiers in Herat; 15 arrived in June for election security and are scheduled to depart following the August 20 elections, though we recently requested that they remain. FM Zbogar, Defense Minister Jelusic, and the military leadership have stated their intention to have Slovenia lead an Operational Mentoring and Liaison Team (OMLT) starting in September 2010, pending government approval and a removal of operational caveats that currently limit Slovene engagement. The Colorado National Guard has offered to partner with Slovenia in an OMLT, but preparation for the mission should begin this fall. The Slovenes are also examining the possibility of further civilian assistance in Herat. Your encouragement, particularly on the OMLT and lifting of caveats, will help Zbogar and his MOD counterpart gain the support of the rest of the government.

American Companies, Slovene Energy

15. (SBU) FM Zbogar shares our interest in deepening bilateral LJUBLJANA 00000215 002 OF 002

economic ties. With Slovenia seeking to diversify its energy supply, two American companies are looking at significant opportunities relating to domestic Slovene production of natural gas and nuclear power. Aspect Energy, a Denver-based energy exploration and investment company, is working on getting permits for natural gas exploration in northeastern Slovenia. Aspect's investment would create a significant number of jobs in an economically struggling area of Slovenia as well as providing a partial alternative to Russian gas. Aspect is ready to begin investing as soon as the government clears on the exploration licenses. A longer-term opportunity is the possible decision in 2010 to proceed with a tender for expansion of Slovenia's nuclear power plant at Krsko, originally built by Westinghouse in the early 1980s. Westinghouse and Embassy Ljubljana officials are in close contact, but it is still not clear when or if a decision to build the second nuclear reactor will be made. The alternative to a second nuclear power plant is likely to be at least one new coal-fired plant, with little or no U.S. commercial participation. Your support for U.S. commercial projects generally -- and for transparency in the energy sector specifically--would be welcome.

Cooperation in the Western Balkans

16. (C) Slovenia's strong ties to the other former Yugoslav republics are not just historical; Slovene companies have broad connections throughout the region, the Government of Slovenia is deeply engaged in promoting good governance and fortifying institutions in civil society, and Slovenian NGOs are equally active. Almost every office of government has regular, established meetings with counterparts in the western Balkan countries. While other allies have reduced their presence in NATO's KFOR operation in Kosovo, Slovenia wants to maintain its relatively large continent of 380 soldiers. Slovenia manages to have excellent relations with both Serbia and Kosovo, and is devoting substantial resources to economic development and democracy-building projects in both countries. PM Pahor visited Belgrade earlier this year, the first such visit since a Serbian mob sacked the Slovenian embassy in the aftermath of Kosovo's independence, and

Serbian President Tadic will visit Slovenia at the end of August. At our behest, Slovenia has filed two important briefs with the International Court of Justice in support of Kosovo's independence. Bosnia recently accepted a Slovenian offer to assist in preparing Sarajevo to meet Schengen requirements for visa liberalization. And within the EU, Slovenia is perhaps the most consistent voice in support of continued enlargement to the south.

FREDEN